

Israeli Voters Threaten Likud With Worst Ballot In Years, Exit Poll Finds

By Jackson Diehl
Washington Post Service
JERUSALEM — Israel's opposition Labor Party appeared likely to emerge with a substantial lead in the general elections for parliament held Tuesday, according to partial returns and an exit poll released by Israel's state television.

envelopes, and the ballots were being counted by hand.
Labor Party leaders and their supporters erupted into cheers in a Tel Aviv hotel ballroom Tuesday night when the television projection was announced.
'It's the biggest and best thing that could happen to the state of Israel, to the Jewish people, to peace, to employment,' the senior party leader, Shimon Peres, told Israel television.



An ultraorthodox sectarian who did not want to be photographed, blocking his face with his hand as he ran to a polling station in Jerusalem during Tuesday's election.

ANC Quits Talks, Accusing de Klerk Of Taking Nation To 'Brink of Disaster'

By David Ottaway
Washington Post Service
JOHANNESBURG — The African National Congress said Tuesday it was breaking off its constitutional negotiations with the government of President Frederik W. de Klerk until it took 'practical steps' to end worsening violence in the country.
The ANC said Mr. de Klerk, whom it has long regarded as a sincere reformer and negotiating partner, had brought South Africa to 'the brink of disaster' and was 'determined to block any advance to democracy.'

of demands that the 'de Klerk regime' would have to meet before the ANC would return to constitutional talks.
Present at the press conference were also representatives of eight other delegations involved in the constitutional talks, including the Communist Party and four self-governing or 'independent' homeland governments. Also supporting the ANC decision was the Congress of South African Trade Unions, the country's biggest black labor movement.
Chief among the ANC's demands was the closing down of single men's hostels such as the KwamAdala, near Vanderbijlpark, 50 miles (80 kilometers) south of here. ANC supporters blame Zulu inmates there for carrying out the massacre Wednesday of at least 40 residents in nearby Boipatong township.

Germany Wonders Whether It Still Needs an Army

By Craig R. Whitney
New York Times Service
BONN — With the Cold War over and the Soviet Union gone, Germany sometimes seems unsure whether it needs an army at all any more.
The political consensus that underpinned the country as a member of NATO, a bulwark against the Soviet threat for more than 45 years, has been fraying at the edges, since the threat disappeared. For some of those in uniform, many of them drafted, the question is why they have to serve at all.

but politicians have not yet decided how the country should deal with the new problems that have replaced the old Soviet threat — civil war and millions of refugees in the Balkans, and disorder in parts of the old Communist bloc.
'The soldiers don't know what their duty is any more,' said Manfred Opel, a former officer who is a member of the Social Democratic opposition in parliament.
The uncertainty is shaped by German history. The victorious allies of World War II disarmed the Germans completely after 1945. But with the Cold War, the allies encouraged West Germany to join NATO in 1955, and rearm.

amended to allow 'forces for defense,' whose mission was limited to protection from the threat of armed attack by the Warsaw Pact. Now, after reunification, that threat is gone, and so is the only postwar rationale for defense forces.
'Our mission was defense of the national territory of the country from a threat that was real,' said Rear Admiral Ulrich A. Hundt, commander of the armed forces leadership center in Koblenz. 'We now have to define our national interests in a new way and understand how our army helps to defend those interests.'
Germany's armed forces, like America's and Britain's, are being reduced in the new, post-Soviet era, from 500,000 to 370,000 by the end of 1994, a process that poses its own problems for morale.
The military budget has been frozen at its current level of about \$34 billion a year, with a goal of \$28.4 billion in savings over the next 12 years. Many officers fear the cutsbacks will deprive the armed forces of the super-sonic European-built 'Fighter 90' aircraft they had hoped would replace Germany's aging fleet of American F-4 Phantoms, although they recognize that their neighbors, too, are reducing their military budgets.

The Voters Keep On Expressing Disapproval of Bush and Clinton

By Robin Toner
New York Times Service
NEW YORK — The two major-party presidential candidates show remarkable weakness in the latest New York Times/CBS News Poll. George Bush's handling of the economy is now as unpopular as Jimmy Carter's ever was, while only a third of U.S. voters see strong leadership qualities in Governor Bill Clinton of Arkansas.
Ross Perot, the all but declared independent candidate, is faring better with the disgruntled electorate, but even his allure is showing its limits.
Mr. Perot is now essentially tied with Mr. Bush in first place when voters are offered a choice among the three. But the percentage of voters who view the Texas billionaire negatively has more than doubled in six weeks.
Last week's poll showed nearly all politicians facing a landscape filled with peril four and a half months before the election.

Four in 10 registered voters said they were still not satisfied with the candidates, and wanted more choices. Almost half said the government might work better if the people voted in to the Congress and the White House were all new.
The survey also gave new insight into the demographics of Mr. Perot's support. His backers tend to be younger, to have higher incomes and to come from the West.
Discontent with Mr. Bush runs throughout the poll, which was based on telephone interviews with 1,315 adults. Only 34 percent approved of the way he was doing his job, down from 39 percent in early May. Seventy-eight percent disapproved of the way he was handling the economy; 74 percent disapproved of Mr. Carter's economic stewardship in June 1980.

Paris and Europe: Smooth Going, Except on Roads



Riot policemen heading through a wheat field Tuesday southeast of Paris, toward farmers' vehicles that were blocking an autoroute.

By Alan Riding
New York Times Service
PARIS — In a display of France's conflicting feelings toward Europe, French legislators on Tuesday approved constitutional changes needed to implement a treaty on European union, while angry French farmers blocked highways around Paris to protest a reduction of European Community subsidies.
Endorsement of the constitutional changes by a rare joint session of the legislature in the Palace of Versailles set the stage for a referendum in late summer on the Maastricht treaty, which commits the Community to create a single currency and to adopt common foreign and security policies.
With 592 legislators voting in favor, only 73 against and 216 abstaining, the result was an important boost for President Francois Mitterrand just days before he meets other EC leaders to debate the implications of Denmark's rejection of the treaty in a referendum on June 2.
Yet, the attempt by several thousand farmers to block the capital also was a reminder that, to some Frenchmen at least, plans to transfer greater sovereignty to the Brussels-based Community represent a potential threat to their way of life.
The farmers, who were only partially successful in disrupting traffic going to and from Paris, are unhappy about the Community's decision last month to revise its agricultural policy by cutting subsidies and lowering guaranteed prices for cereals and beef.
The change is aimed at reducing bugle food stocks, bringing down food prices in Europe and facilitating a resumption of global talks on trade liberalization that have been deadlocked by disagreements between the Community and the United States over farm supports.
France's 1 million farmers, though, fear it
See FRANCE, Page 2

Kiosk

Libya Says Only UN Or Arabs Can Try 2

NICOSIA (Combined Dispatches) — Libya's legislature decreed Tuesday that two men sought for the bombing of Pan Am Flight 103 can be tried only by a 'fair and just court' under UN or Arab League auspices, Libyan television announced.
The decision was announced during a Libyan TV broadcast of the General People's Congress, the BBC said in Cyprus. Britain and the United States previously have rejected suggestions that the suspects be tried in a neutral court.
In London, the Foreign Office reacted with skepticism, saying: 'The Libyans do, not what they say,' an official said. 'It's a claim that we want, not words.' (AP, Reuters)

General News

John Gotti, a U.S. Mafia leader, was sentenced to life in prison for murder. Page 2.
M.F.K. Fisher, who created a genre of food writing, died. Page 7.

Business/Finance

Middle East Broadcasting's \$3.95 million bid for URF was approved. Page 13.

The Score From a \$6 Million Soccer Star: 'Someone Had to Miss'

By Rob Hughes
International Herald Tribune
GOTHENBURG, Sweden — Why should a man who earns \$6 million a year for his ability to put a small ball into a huge net be the one to fall at the crucial moment?
How could Marco van Basten — the highest paid soccer goalscorer in history, the man with perhaps the coldest eye, and, if need be, the meanest retaliation in the game — miss a penalty shot and, in effect, cost the Netherlands a place in the European Championship final on Friday?
'We are human beings,' explained van Basten on Tuesday as he and his Dutch teammates waited at Gothenburg airport to fly home to Amsterdam. 'I'm not disturbed because I missed,' he continued calmly. 'The penalty shoot-out is a lottery, and someone had to miss,

either a Dane or a Dutchman. It was miss, and I can't change that.'
With the teams tied, 2-2, after a scoreless overtime Monday night, the shoot-out began. The second Dutchman to face the Danish goalie, van Basten struck his right-foot shot with precision, though insufficient force, toward the hardest place for a goalkeeper to save, the base of a post.
But Peter Schmeichel, the Danish goalie, was enormous reach. By reading van Basten's mind or by simply taking a gamble, he flung himself to his left to get a hand on the ball and keep it from the net. It was the only shot missed, and Denmark won the shoot-out, 5-4.
With 37,450 fans watching in the Ullevi Stadium and millions peering at their television sets in 120 countries, it surely had to be the most embarrassing miss of van Basten's life. Or was it?

Van Basten dismissed the thought.
'I am more concerned that the Dutch team as a whole made the same mistake in this match that the previous Dutch generation made in Germany in 1974 and, given our mentality, the next generation will probably make in 2002,' he said.
'I tried against Denmark to concentrate, to give the same attitude as we had against the Germans,' whom the Dutch beat, 3-1 — the biggest margin in their 68 years of competing against each other.
'But in the field it didn't work,' he continued. 'We could not come down from the euphoria of that match. It was not only I who had a problem, every player in the group says the same.'
The players are professionals. They live or die, metaphorically, on the ability of the mind, the eye, the movement. But the circus around

sports is apt to overreact, to judge van Basten's inability to beat a goalie from a spot 12 yards away as if he were a pilot who, despite all the weaponry that modern warfare can devise, still presses the button a fraction early or late and misses a target.
It is an analogy that makes van Basten, a down-to-earth multimillionaire, squirm. He, like anybody else, cares more about his two infant daughters than about the mass hysteria of sports, which places him on the highest pedestal and shakes him down in an instant.
Yet, he accepts the emotions invested in soccer. He plays, more often than not, with ankles kicked black and blue by defenders who hope to debilitate his scoring edge. He sits down to dinner with ice packs around those ankles, hoping to stave off the inevitable surgery.
The \$6 million salary comes from his Italian

club, AC Milan, and from sponsors attracted by his usually unerring accuracy around the goal.
In the season just ended, van Basten became the only man in a quarter of a century, very nearly his entire lifespan, to score 25 goals in the Italian first division in one season. His Milan goals included nine successful penalty kicks last season, but he also missed twice from the spot.
'Marco Golo' struck 8 of the 17 goals that qualified the Netherlands for the European Championship. During the 1988 European Championship he devastated England with a hat trick of three goals, the last of which was hit from an angle no other striker would think up, let alone deliver.
Yet, in Gothenburg, this man who is one of
See MISSED, Page 18

Croats Begin Shelling the Serbs Who Are Besieging Sarajevo

By Blaine Harden
Washington Post Service
SARAJEVO, Bosnia — Croatian forces have moved modern German-made artillery within range of the Serbian tanks and heavy artillery that are shelling and besieging this capital, according to senior advisers to the government.

artillery and tank positions that have been pounding Sarajevo from nearby hills for nearly 11 weeks. Croatian forces are within 48 kilometers of Sarajevo, according to Bosnian advisers and Western journalists.

Croatian soldiers there told The Associated Press last week that 114 Croatian artillery pieces roared from positions on Orlovac Hill, the strategic position from which the Serbs had controlled, besieged and devastated Mostar for more than two months.

Western governments have refused to help their fight against Serbian forces, who have been armed and are being supplied by the hard-line regime of the Serbian leader, Slobodan Milosevic.

Mr. Serdarevic, the political adviser to Bosnian president, said that "the influence of the Croats will certainly be bigger" if their guns save Sarajevo.

Baker to Propose Stiffer Serbia Curbs

Compiled by Our Staff From Dispatches
WASHINGTON — Secretary of State James A. Baker 2d said Tuesday he would recommend additional sanctions against Serbia because of its "barbaric" and "inhuman" military behavior in Bosnia-Herzegovina.

UN peacekeeping force for use in such crises as Yugoslavia needed more study. Such a force was proposed last week by the UN secretary-general, Boutros Boutros Ghali.

The announcement came as United Nations peacekeeping officials in Sarajevo gave up hope of quickly arranging a cease-fire to avert a predicted 300,000 starvings in the city.

Mr. Baker said that the U.S. effort to broaden Serbia's exclusion from international organizations included a requirement that Serbia and Montenegro would have to re-apply for membership in those bodies after Belgrade had complied with UN resolutions on the war.

Mr. Baker, appearing at a hearing by the Senate Foreign Relations Committee on arms control agreements with the former Soviet Union, said he would recommend the following sanctions to President George Bush.

Earlier this month, President Bush acted to bring the United States into conformity with UN Security Council sanctions against Belgrade by banning all exports and imports, revoking airliner landing rights and suspending contracts.

Mr. Baker said that the U.S. effort to broaden Serbia's exclusion from international organizations and institutions.

The United States has also withdrawn its ambassador and made clear that it will not recognize the federation of Serbia and Montenegro as the successor to Yugoslavia until all forces are withdrawn from neighboring states and minority rights are respected.

Asked about military intervention to stop the fighting, Mr. Baker said: "We have not ruled out—we have not ruled in—participation in some multilateral action."

He stressed, however, that discussions that U.S. military planners were having at the United Nations concerned only ways to get relief to starving people.

He said Tuesday that the nightmare was continuing.

He said that the nightmare was continuing. "It is hard to believe really in this day and age," he said, "that armed forces will fire artillery and mortars indiscriminately into the heart of a city, flushing defenseless men, women and children out into the streets and then shooting them."

He said that more needed to be done to impose sanctions against Belgrade, and the United States would consult on additional steps—including moves to ensure that relief operations were no longer blocked in Sarajevo.

On another issue, Mr. Baker said that the concept of a permanent



Graves dug in advance in Sarajevo to prepare for the expected dozens of corpses each day from shelling and sniper fire.

GERMANY: Nation Finds a Legion of Reasons to Do Without an Army

(Continued from page 1)
ence, as Lieutenant General Helge Hansen, army chief of staff, put it in an interview.

traumas the U.S. Army went through after the Vietnam War.

It is no clearer to soldiers than it is to other citizens what their mission should be now that there is no more overt threat.

As a result, relations between the army and the local population have to be transformed.

'Here, the question isn't how much is enough. Here, the question is if, or if not.'

Asked whether he thought Germany could ever become involved in UN peacekeeping missions in the Balkans, Sergeant Thomas Krauth-

trauma answered: "Why should German soldiers intervene in another country's civil war? If we battle with the Serbs in Bosnia, it's just like we're their enemies. That won't help establish peace at all."

But Staff Sergeant Volker Güller, 32, objected to the idea that German soldiers were unwelcome in the Balkans because they had been there before, as aggressors and occupiers in Slovenia and Croatia during the war.

"I think the world should stop harping on the notion that Germany caused two world wars," he said.

FRANCE: A 'Yes' and a 'No'

(Continued from page 1)
will drive many of them out of business and accelerate the exodus from the countryside, Jacques Laigneau, president of Rural Coordination, the group that organized the protest, accused the government of committing "farmar genocide."

The protesters asserted that they had cut off 15 highways in a 40-kilometer (25-mile) radius from central Paris. At Abailis, south of the capital, six policemen and one farmer were hurt during a clash in which policemen fired tear gas.

Within the French National Assembly and Senate, outright opposition to the treaty has so far come only from the small Communist Party and the extreme-rightist National Front, as well as from some dissidents in the governing Socialist Party and the conservative opposition.

Mr. Chirac justified his position by asserting that a referendum should have been called to approve the changes, which will permit France to adopt a single currency, negotiate a common visa policy with its EC partners and allow nations of other EC countries who are resident in France to vote in local elections.

France: A 'Yes' and a 'No'

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Gotti Gets Life for a Murder

NEW YORK — John Gotti, the head of one of the most powerful crime families in the United States, was sentenced to life in prison on Tuesday for the murder of his predecessor. The sentencing touched off a melee as 1,000 supporters tried to storm the courthouse.

Mr. Gotti, 51, smiled wanly and refused to speak during the federal sentencing hearing. Supporters reacted angrily outside the Brooklyn courthouse, forcing the authorities to lock the building and spirit Mr. Gotti out a back entrance.

The sentence capped a six-year effort by the U.S. government to bring down the Mafia boss who has been nicknamed "the Teflon Don" because previous trials had ended in acquittals.

Prosecutors had pursued Mr. Gotti since the early 1980s. But a state assault case was thrown out, and a federal racketeering trial ended in an acquittal in 1987.

ISRAEL: Likud Threatened

(Continued from page 1)
the support of many voters disenchanted with the traditional parties. At the same time, it indicated that religious parties would have 14 seats in the next parliament instead of 19 now, while one rightist party, Tehiya, would be eliminated from the legislature.

Election officials initially reported a slightly lower turnout than in the last general elections, in 1988, despite sunny temperate weather and a national holiday. Reports said immigrants to Israel from the Soviet Union voted in greater numbers than expected, but that the turnout among Israel's Arab population was down.

Scattered incidents of violence and vandalism at polls were reported around the country, and Israel Radio said 15 persons were arrested, including two election officials suspected of fraud. The Army sealed off the occupied West Bank and Gaza Strip, preventing their 1.7 million Palestinian residents from entering Israel for the day.

The vote came after a campaign that was remarkable mainly for its relative lack of passion and grassroots public interest. Both Mr. Rabin and Mr. Shamir sought to appeal to centrist voters by promising to advance ongoing Arab-Israeli peace talks and playing down their parties' more extreme positions.

Slovaks Plan to Declare Sovereignty in July

BRATISLAVA, Czechoslovakia — The Slovak leader, Vladimir Meciar, said Tuesday that Czechoslovakia's eastern region would declare its sovereignty this month, but he insisted that this did not mean proclaiming independence.

are not the same thing," he told reporters at the opening session of the Slovak National Council, or regional parliament. "There is no need to write epitaphs for Czechoslovakia."

Taking his seat in the council, Mr. Meciar took an oath of allegiance to the Czechoslovak federation.

Czech politicians who are at loggerheads with Mr. Meciar over all basic issues about Czechoslovakia's future, say they cannot see any difference between independence and Mr. Meciar's proposed confederation of two sovereign republics.

WORLD BRIEFS

Scrap Fighter, Bonn Minister Urges

BONN (Reuters) — Defense Minister Volker Rühle said Tuesday that the European fighter aircraft should be scrapped and replaced by a cheaper plane.

Baker Urges START Pact Approval

WASHINGTON (Reuters) — Secretary of State James A. Baker urged the Senate on Tuesday to ratify the treaty cutting U.S. and Russian long-range nuclear weapons, saying the pact was critical to the end of the nuclear arms race.

Civil War Feared After Ethiopia Vote

ADDIS ABABA, Ethiopia (AP) — Ethiopia's first multiparty election was marred by widespread abuses, and diplomats said Tuesday they feared a resumption of civil war were high.

262 Saved on Burning Ship Off Italy

BRINDISI, Italy (Reuters) — Rescuers lifted 262 passengers off a Cyprus-registered vessel on Tuesday after fire broke out in the engine room while it was in southern Italian waters, officials said.

Eruption Is Linked to U.S. Colder

HAMPTON, Virginia (AP) — Particles from a volcanic eruption a year ago at Mount Pinatubo in the Philippines have spread worldwide in the upper atmosphere, and scientists say the impact could range from the cool weather in the Eastern United States this week to changes in the clouds of fine volcanic ash and other material in the stratosphere said Tuesday the changes caused by the eruption should fade.

TRAVEL UPDATE

Nice-Côte d'Azur Airport opened a second international terminal on Tuesday, which is expected to cope with more than 5 million more passengers a year. The airport's 70,000 international flights in 1991 accounted for 42 percent of its total traffic.

The Weather



Table with columns for North America, Europe, Asia, Africa, and Oceania. Sub-columns include Today, Tomorrow, High, Low, and Wind. Includes data for major cities like New York, London, Tokyo, and Sydney.

Nunn Urges Use Of Military for Domestic Needs

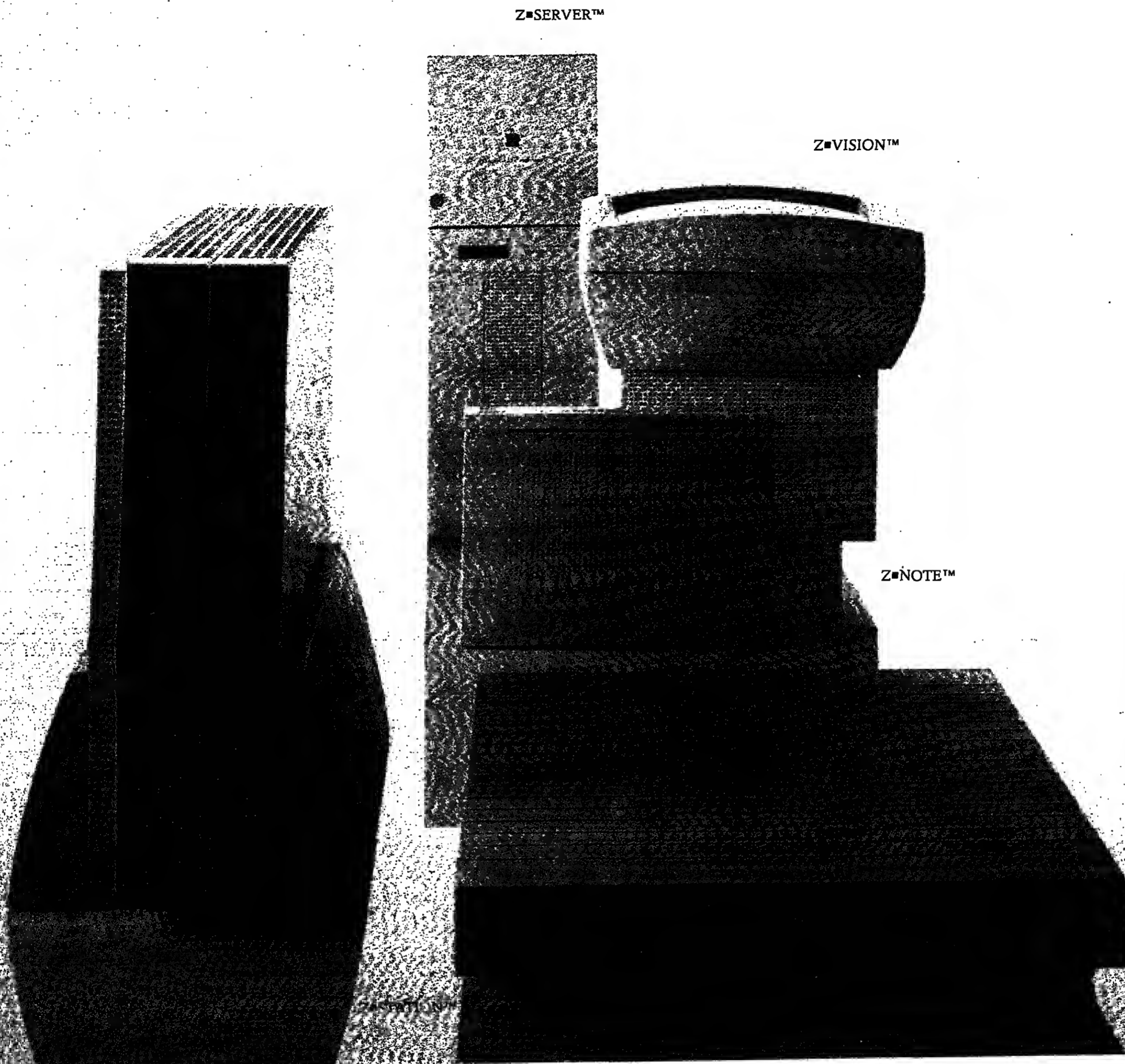
WASHINGTON — Sam Nunn, chairman of the Senate Armed Services Committee, said Tuesday that this year's defense bill should be used to launch a broad program of military-civilian cooperation to address pressing domestic problems.

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Large advertisement on the right side of the page for Weinberger's, featuring a woman's face and the headline 'Weinberger's May Cut Two'.

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Herald Tribune

Crisis in South Africa

Compromise Needed

The bloody massacre in the Boipatong township that left at least 40 persons dead was not the first act of senseless political violence to strike South Africa since the transition to democracy began.

The ANC, contending that the South African authorities have been in complicity with supporters of the predominantly Zulu Inkatha Freedom Party during years of brutal township violence, is pulling back from its bilateral engagement with the government.

Clean Up the Police

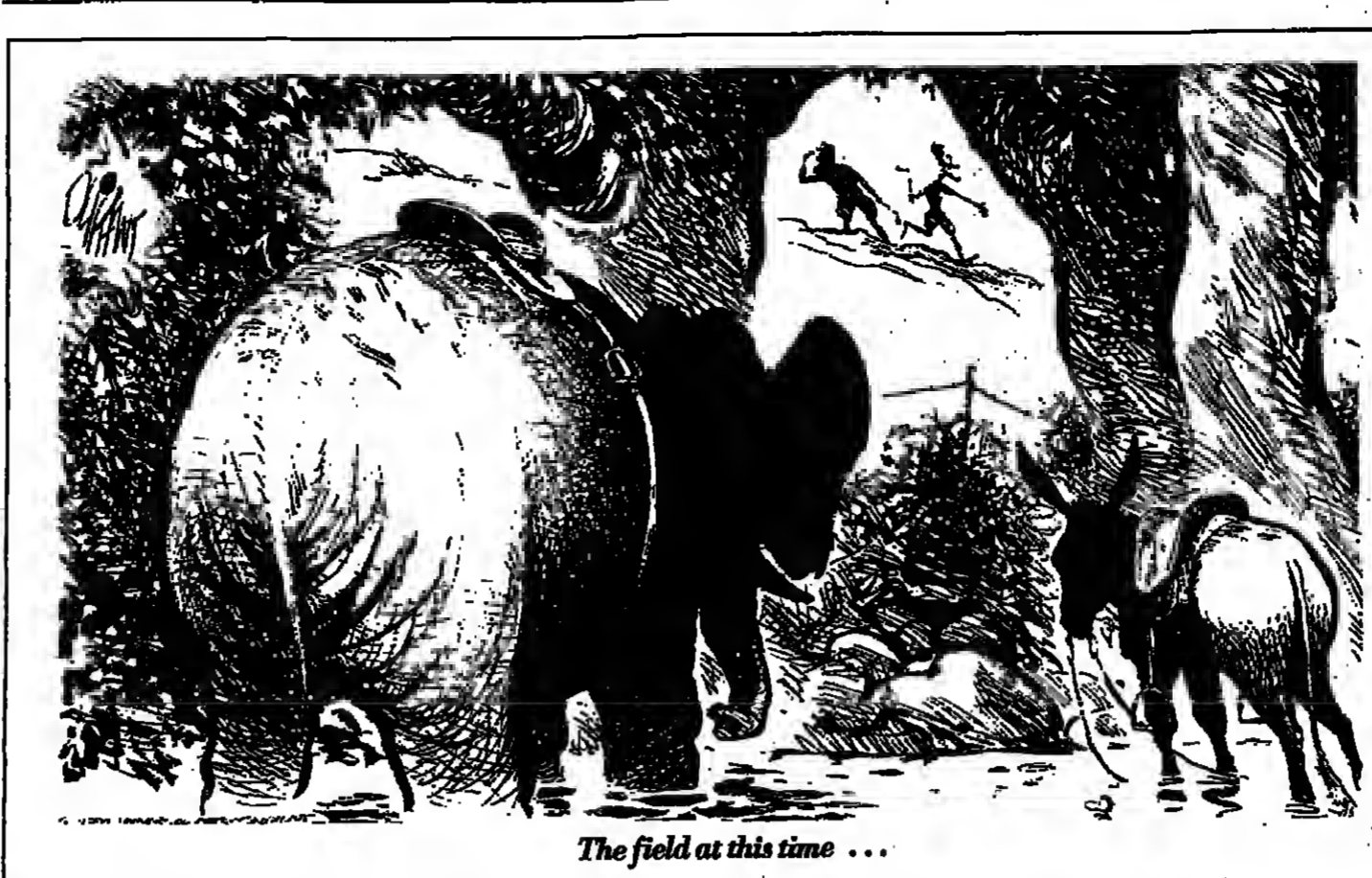
Two utterances measure the racial chasm that sunders South Africa. "I can no longer explain to our people why we continue to talk to the regime which is murdering our people," said Nelson Mandela after last week's bloodletting in Boipatong.

A January report by New York-based Africa Watch found "abundant evidence" that state security forces have contributed to township violence.

At several steps along the way since the decision was made to dismantle the racist apartheid system, those with entrenched interests in protecting white power have sought to impede the inevitable break from the past.

The government, through its intelligence, police and the courts, should be held accountable for controlling the violence, including a clampdown on the rogue police elements that fuel the mayhem in the townships.

—THE WASHINGTON POST.



The field at this time ...

Trade: Building Toward U.S.-Japanese Confidence

By Stephen J. Solari and Nobuo Matsunaga

Mr. Solari, a Democrat, is chairman of the Asia-Pacific Subcommittee of the U.S. House of Representatives. Mr. Matsunaga, president of the Japan Institute of International Affairs, is a former ambassador to the United States.

TOKYO — It is news to no one that the tensions in U.S.-Japanese relations have increased in recent months. On both sides of the Pacific, the number of people addressing bilateral problems through threats and bluster is growing.

By establishing a level playing field, it would remove the argument heard in America that the rules of trade are biased in favor of Japan.

More complex are the macroeconomic and structural factors that contribute to the U.S.-Japanese trade imbalance. The two countries have undertaken the Structural Impediments Initiative, a useful instrument for mutually beneficial reforms.

has been made in lowering tariffs and reducing or eliminating quotas. Nor is the United States tariff-free. In textiles, automobiles and steel, Japanese goods face serious restraints, which would have to be addressed in a free trade arrangement.

Iraq: Plenty of Smoke

As even administration officials oow concede, President George Bush's attempt to domesticate Saddam Hussein by giving him arms was bad policy. But was it a crime? Congressional hearings may shed more light on this question.

helped convince the Iraqis to put aside their doubts about Er-I's creditworthiness. Iraq may have used these credits to buy pesticides to use in chemical weapons.

As president, Mr. Bush continued to believe that he could bring Saddam Hussein around. He knew that Iraq had two pressing needs, aid and arms. In an effort to make Iraq dependent on the United States rather than on other countries, Mr. Bush decided to provide help.

As a supplement to the Uruguay Round of trade negotiations, the second — as a supplement to the Uruguay Round if it does not — is to explore possibilities for a free trade arrangement encompassing all of Asia and the Pacific, beginning with some form of U.S.-Japanese association.

Other Comment

Winds of a Russian War

Russia is on the verge of a war, a real war which would differ from the ethnic conflicts we have become used to. A war would mean a general mobilization in Russia and a growing role played by the military.

As president, Mr. Bush continued to believe that he could bring Saddam Hussein around. He knew that Iraq had two pressing needs, aid and arms. In an effort to make Iraq dependent on the United States rather than on other countries, Mr. Bush decided to provide help.

What the Irish Had in Mind

Ireland, by ratifying the Maastricht treaty in a thumping referendum, puts the plan for a single European currency by century's end back on track.

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South Africa's Minorities Have Rights

By Robert H. Phinny

GRAND RAPIDS, Michigan — If human dignity is to be preserved for the minority groups in South Africa, they must have an effective voice in any new South African constitution.

are aged 18 years or under, leaving some 14 million as potential voters. The ANC, according to a recent poll by the Human Science Research Council, has consolidated its position among all but rural Zulu speakers; it now has the support of about two-thirds of potential black voters.

America Should Punish Friendly Spies

By Peter Schweizer

LOCKHEED, only the FBI's persistence ended these operations. U.S. trade negotiators complain that trading partners are increasingly targeting them for "friendly" espionage in the hopes of getting a peek at the U.S. negotiating position.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1892: Stanley Is British

LONDON — Mr. Stanley yesterday [June 23] denied rumors that even if elected he would be ineligible for Parliament owing to his American citizenship.

1942: Bengasi Burning

CAIRO — [From our New York edition] — United States Army airmen in four-engine Consolidated bombers have dealt heavy damage to Bengasi, the chief Axis supply base in Libya, it was disclosed today [June 23] while the German-Italian army consolidated its gains and massed its strength for a projected invasion of Egypt.

1917: Russia's Recovery

PARIS — Advances from Russia show that the army is rapidly recovering from its long interdict, and, despite the

This Alarm From Perot Can't Hurt

By David S. Broder

WASHINGTON — My beloved, capital scribes more and more these days like a barnyard filled with Chicken Littles. Ersworld power brokers are running around in circles, complaining that the sky is falling.

It began when members of Congress learned that their constituents might actually have reached the limits of their patience with Washington's endless evasion of the tough choices needed to tackle America's problems.

And now, bless me, we in the "establishment press" are being threatened by the emergence of new competitors from talk shows and entertainment programs that allow candidates and voters to chat directly.

We thought it pretty funny when the politicians — George Bush, Bill Clinton, the barons of Capitol Hill — started facing challenges from unexpected quarters. Somehow, we in the newsrooms of the television networks and the major dailies are less amused when interlopers come onto our turf.

The advice that everyone in this jittery capital needs to hear is simple: Cool it. Competition is healthy for American democracy — for the members of Congress, the major parties and the press. Competition does not threaten any of these institutions; it may strengthen all of them against more worrisome challenges.

The real threat to Congress and the state legislatures lies in the movement to impose term limits on their members. Term limits would reduce the capacity of the legislative branch by stripping it of expertise and historical memory. They would also hamstring it by crippling its claim to legitimacy.

When public officials change hands automatically, and not as a result of voters' decisions, the essential link between the constituency and its representatives is weakened.

The wave of retirements from Congress undercuts the argument that only term limits can bring change on Capitol Hill. Record numbers of challengers are running for Congress, and the primaries held so far suggest that they will have far more success than in the recent past. The American people do not have to change the rules to rid themselves of political duds. The old-fashioned way works: Just vote them out of office.

Mr. Perot's candidacy is forcing the Republican and Democratic parties to face up to the real threat to their voters' justifiable disgust with inaction in Washington on the most pressing concerns. Mr. Perot is not running against Mr. Bush and Mr. Clinton so much as against gridlock.

To counter the Perot threat, both parties are finally beginning to point out that the price of divided government is policy deadlock. President George Bush is campaigning for a Republican Congress that will give his initiatives something other than a cold shoulder. Democrats are calling for a change in the White House to end what they call "government by veto."

Divided government destroys the only way Americans have ever found to build a bridge of mutual accountability across the constitutional separation of legislative and executive powers. Mr. Perot's challenge is forcing the parties to remind voters of that forgotten truth.

The competition that the establishment press faces from the electronic newcomers can also be healthy. The call-in shows are not frivolous. The questions being asked on these shows have been serious and substantive.

These programs are not a threat to the establishment press. The real threat, as the Kettering Foundation has pointed out, is that more and more people are beginning to see us as "insiders," preoccupied with the gossip and maneuvering of the politicians we have come to know so well.

The voters — as Jeffrey Bell has stressed in his new book "Populism and Elitism: Politics in the Age of Equality" — care less who wins or loses than what will be done about crime and drugs, about schools and taxes, about jobs and health care. And those are the questions they are asking on the call-in shows.

If we in the old-fashioned media are smart, we will stop griping about the competition and listen to the questions that the voters are asking. We need to devote our talents and resources to seeing that they get full and honest answers, something the talk show hosts cannot or do not always do. If we drop the Chicken Little act, we will find that we still have an important job to do.

The Washington Post.

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South Africa's Minorities Have Rights
By Robert H. Phinny
Indians, "coloreds" and blacks from two independent homelands. In addition, there are nine more groups of tribes, and these are broken down in subgroups that speak dialects of the main languages.

M. F. K. Fisher
Created a Genre
By Molly O'Neill
New York Times Service
M. F. K. Fisher, 83, the writer who created personal essays about his life, died Monday in Glendale, California.

Jackson's Hi Is Leading H...
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People Are the Issue...
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M. F. K. Fisher Created a Genre

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Healthy, Stable And Competitive

Austria's economy continues to thrive, with business expanding abroad as never before. The country has become an attractive investment location for foreign firms and a gateway to Eastern Europe.

The Austrian economy has gained international prestige. In a study last year comparing 24 OECD and 10 other industrialized countries, Austrian economic competitiveness was rated third in Europe and sixth worldwide.

The World Competitiveness Report 1991, published by management institute IMD and the World Economic Forum of Lausanne, Switzerland, ranked Austria tops in Europe for labor stability, second for worker motivation and the availability of skilled labor, engineers and managers. Austria has one of the lowest strike records in the world, and its famed "social partnership" still manages to ensure cooperation between business and labor on most issues.

Austria was rated one of the world's lowest-risk nations in a survey conducted by International Country Risk Guide, a U.S. division of International Business Communications Ltd. of London. The nation placed fourth in terms of overall political, financial and economic risks among 129 nations, ahead of Germany, Japan and the United States. Austria was ranked seventh in the

Airport plans \$670 million expansion

world in the latest credit rating published by Institutional Investor. According to the U.S. business journal Money, Austria has the sixth-highest standard of living in the world.

The balance sheets show economic health as well. Following growth rates of 3.7 percent and 4.5 percent in 1989 and 1990, the Austrian economy grew by 3 percent last year, higher than the 1.1 percent average growth in the 24 OECD countries, a performance matched only by Germany's. The nation's GDP climbed 6.9 percent to 1.9 trillion Austrian schillings (US\$ 169.9 billion). The economy is expected to expand at a 2 percent rate this year and by 3 percent in 1993, continuing to be in the top ranks of industrial nations. Inflation is moderate, 3.3 percent last year, climbing slightly to 3.8 percent in mid-1992. Industrial investments are expected to rise close to 20 percent in 1992, to 69 billion Austrian schillings, following a stagnation last year.

Chrysler Corp., which decided to make Austria its European headquarters, recently began production of its Voyager van after investments totaling \$240 million, and Siemens announced it would concentrate its worldwide manufacturing of bipolar integrated circuits at its facility in Villach, Austria. And Austria is Sony's European headquarters for the development and production of compact discs and laser-videodiscs.

In other signs of corporate confidence, General Motors is in the midst of an ambitious, \$350 million program to expand the output of engines and transmissions at its Vienna facility. Its Packard Electric Division produces wiring harnesses in Austria; its Rochester Products subsidiary makes fuel injectors. Mazda recently began production of high-technology pressure-wave superchargers.

ICD Austria, the federal agency for industrial cooperation and development, offers a broad range of professional services to firms considering an Austrian investment location, including feasibility studies, local analyses, support in obtaining financial and incentive packages, identification of partners and support in negotiations.

Austria is moving ahead to improve its infrastructure. Vienna Airport is pumping \$670 million into expanding its facilities. A World Trade Center was opened at the airport in 1990 to link East-West business. A new Air Cargo Center is designed to handle the explosive growth in foreign volume. Billions are being invested to improve Austria's infrastructural links to Eastern Europe, particularly highway and rail connections. The Rhine-Main-Danube Canal, scheduled to open in 1992, could turn Vienna into a freight traffic center.

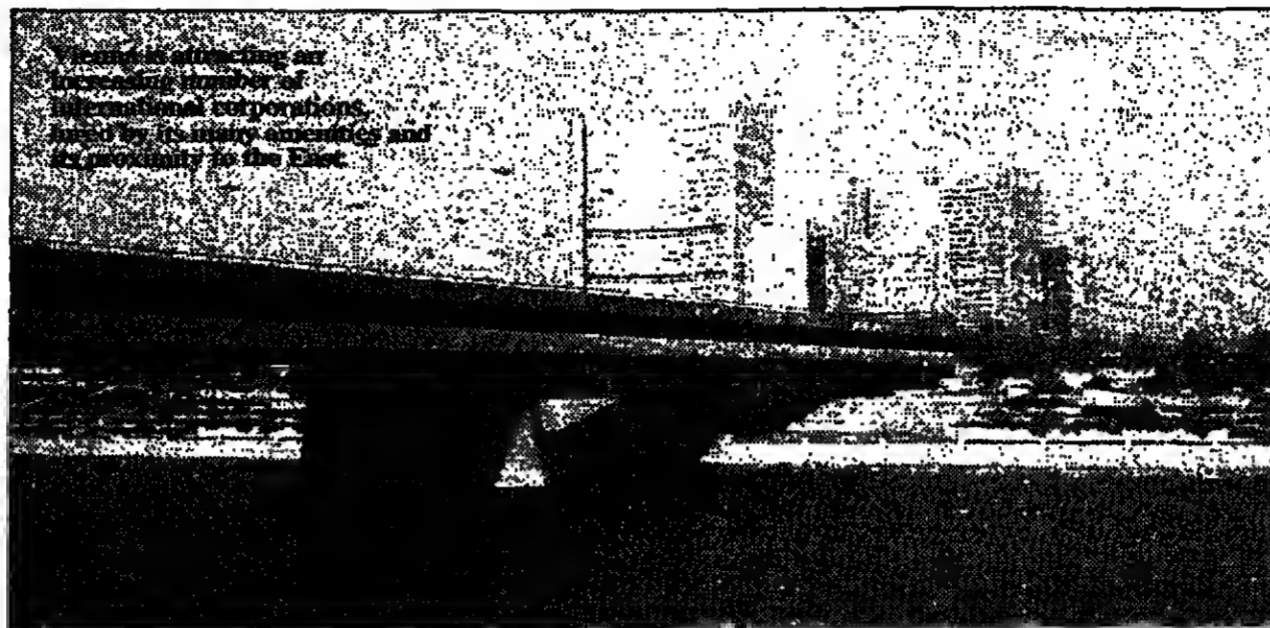
Austria has become the Western springboard into the emerging East European market. Companies benefit from the country's geographical proximity to Eastern Europe, its traditional ties there and its experience in doing business in the region. An understanding of the region's mentality, cultures and languages, combined with a network of financial institutions, trading and support agencies for coordinating business, have given Austria a competitive advantage.

Over 1,000 Western companies have chosen to base their East European operations in Vienna, including American Express, Coca Cola, Control Data, Daimler-Benz, Gillette, IBM, McDonald's, Miele, Nestlé, Pepsico and Philips. Vienna has become the hub for East-West executive-search and personnel-recruitment businesses.

In 1991, Austria accounted for 5,500 or 15 percent of the 37,000 joint ventures now under way between West and East European firms. It has the highest export ratio within the OECD to the region. Austrian trading houses have become leading players in East-West trade, and the country's construction industry is in the vanguard of Western involvement in modernizing industrial plant, office, hotel and transportation infrastructure in the East.

Austria has established a five billion Austrian schilling East-West fund to offer risk protection to firms doing business in the region, and has set up a technical aid program of 400 training seminars for 10,000 East European managers. A special governmental joint-venture office acts as an information and advisory service for Austrian-based firms doing business in Eastern Europe.

Austrian firms are looking beyond their traditional export markets. Constantia, CMV, Radex, Wienerberger, Plansee and Atomic are just a few of the Austrian firms that have realized that moving abroad is essential to compete more effectively and penetrate new markets.



"Austria is in the midst of an unprecedented internationalization drive abroad. It has become an integral part of the Austrian business mentality," says Werner Clement, professor at the Vienna University of Economics.

Austrian Airlines, for example, has been expanding its international connections, and recently put a new Vienna-Chicago route into service. It offers the most extensive connections of any Western airline into Eastern Europe. Recently, the airline concluded an agreement with Swiss Air to carry out joint marketing and sales on their respective local markets.

The upward trend in Austrian direct investment abroad continues. Investment outside of the nation's borders totaled approximately \$1.4 billion in 1991, a jump of 400 percent in just three years, and the third consecutive year in which foreign investment in Austria was surpassed. From 1,500 to 2,000 Austrian firms have an estimated \$8 billion in foreign holdings, close to the foreign stakes in Austria. They have set up 2,500 subsidiaries and 500 manufacturing plants abroad, compared to only a few hundred in 1980. Around 80,000 workers are employed in Austrian subsidiaries abroad.

In recent transactions, Jungbunzlauer, with a 22 percent share of the world citric acid market, said it would invest \$160 million to construct a citric acid plant in France. Lezing announced it would acquire BASF's

U.S. viscose facility, making it the largest viscose supplier in the world. And Austrian Industries, the nation's largest industrial group, reports that one third of its production is now abroad.

The Austrian Federal Economic Chamber, which has around 250,000 members, has set up ninety trade delegations around the globe to support Austrian firms aiming to penetrate foreign markets. Headed by Leopold Maderthaler, it serves as a competent partner to Austrian business by providing technical, legal, marketing and joint-venture assistance, import-export consulting, product advertising, a computerized data bank, sales promotion, and an EC advisory service. In 1992 it will conduct 65 trade missions abroad.

There are some clouds on the horizon, however. The global recession, the conflict in Yugoslavia, and the problems neighboring Germany is facing following unification have slowed Austria's economic growth. The balance-of-trade deficit topped the 100 billion Austrian shillings mark for the first time this year. Austrian industry has not optimally tapped overseas export markets, and there have been several prominent failures of industrial projects abroad. Austria also will have problems containing its budget deficit, although the net deficit is down to 3.1 percent of the nation's GDP, from 5 percent in 1986.

Clifford Stevens

A New President, A Global Outlook

Thomas Klestil, recently elected Austria's president by an overwhelming majority, will take office on July 8. He formerly served as Austria's representative to the United Nations and later its U.S. ambassador. He discusses the priorities of his new role in an interview with Clifford Stevens.

What will be your main priorities in representing Austria abroad?

I intend to visit our neighbors, the most important EC capital cities and the United States, to set up an on-going dialogue on important issues. I expect to engage in a lot



Thomas Klestil, Austria's new president.

"Austria is not immune to world"

of travel diplomacy. The message I will share is that Austria is a confident, prosperous country, a democracy that works, one that will actively work for international solidarity.

Your predecessor Mr. Waldheim was not invited to visit many Western countries. How will that change?

I see a new era in our relations with the West. In his congratulatory notes, Germany's President Weisacker was one of many leaders who said he hoped

to meet with me soon. President Bush said that I had already done a lot for Austro-American relations. I have good contacts with the American government and with Jewish groups. America and Austria have, in fact, always had good relations, except

Continued on Page 11

AUSTRIA'S ROLE
IN A
CHANGING WORLD

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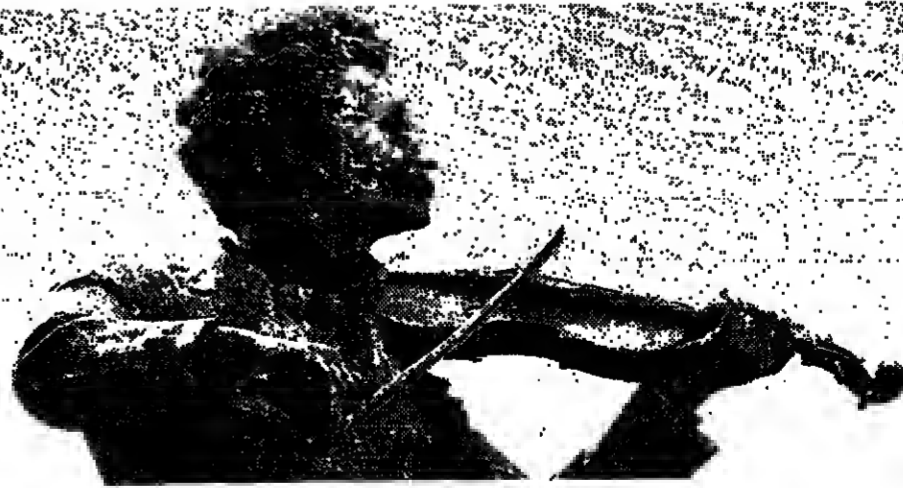
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Banking Meets the Foreign Challenge

Two major bank fusions and an expanded international presence highlight the efforts of Austria's banking sector to meet tough foreign competition effectively. But far-reaching structural reforms are also considered necessary.

"Austrian banks are well prepared to compete in the unified market," says Guido Schmidt-Chiari, Creditanstalt chairman. "In terms of technical equipment, quality of services and capital resources, they compare well to standards elsewhere in Europe," he says.

Austria's banking sector has become highly sophisticated, offering state-of-the-art financial services. New technologies and products such as financial engineering, portfolio management and electronic banking have

Vienna is attracting an increasing number of foreign banks, many using the capital as a base for their East European operations. Uninterested in the mass low-margin business, some have carved out an attractive niche for themselves, for example in floating bond and share issues, or trade financing. Around 50 foreign institutions are now represented in Vienna, 21 with full banking licenses.

Deutsche Bank, Schweizerische Kreditanstalt, ABN AMRO and Internationale Nederlanden Bank are some of the recent prominent arrivals. Top Japanese institutions, including Daiwa Securities and Nomura, Sumitomo, Mitsubishi and Sanwa banks, have set up representative offices in Vienna. In cooperation with the international Monetary Fund, World Bank and the OECD, a training center for East European bankers will be set up in Vienna in the near future.

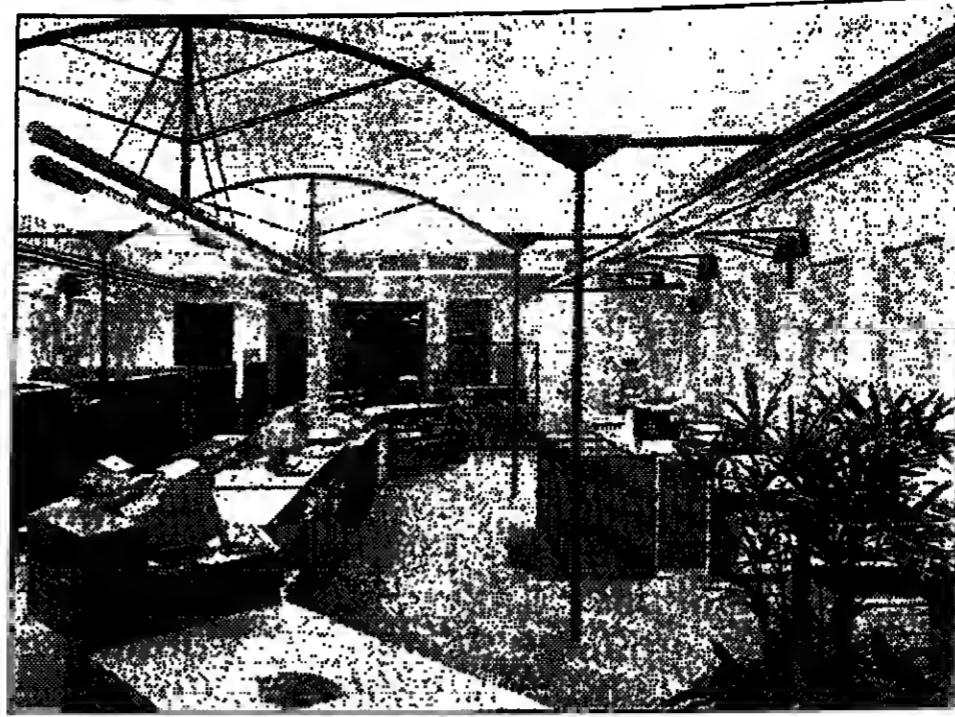
"The emergence of new market economies in Eastern Europe will enhance our chances to serve as a regional banking center for financial services," says Girozentrale chairman Hans Haumer.

This past year has been eventful for the Austrian banking sector. The merger of the third- and fourth-largest banks, Zentralsparkasse and Oesterreichische Laenderbank, created the nation's top institution with the biggest client and branch base. Bank Austria has 9,600 employees, over 300 branches and assets totaling 505 billion Austrian schillings (US\$46 billion).

Although some critics charge that the fusion was actually a "hostile takeover," analysts concede the synergy potential: Zentralsparkasse's strength in savings banks and traditional credit business combined with Laenderbank's foreign ties and its know-how in securities and investment banking.

According to Bank Austria's chairman, Alfons Haider, the fusion creates a "powerful institution which can hold its own in Central Europe" and "optimally draw on the strengths of both banks." Creditanstalt, which ranks a close second to the new bank, says it is not on the lookout for large-scale mergers with Austrian partners but does not rule out acquiring smaller institutions.

Following the breakdown of fusion talks with First Austrian Bank, Girozentrale, the wholesale partner of the savings-bank sector and number three in Austria, recent-



Signs of the times: Creditanstalt, Warsaw, now occupies the former meeting room of Poland's communist party.

ly merged with the much smaller Oesterreichische Credit Institute (OCI). The new Giro Credit, with assets of 350 billion Austrian schillings, will not only provide Girozentrale with 50 branches and a foothold in retail banking, but will also give the bank the means to decentralize business and gain access to primary deposits and OCI's mortgage business. Girozentrale is also acquiring stakes in leading regional savings banks.

In November 1991, Austria achieved full liberalization of capital transactions, in line with EC guidelines, a step toward opening the nation's capital markets to more competitive and innovative forms of financing. Measures passed by the National Bank have removed various restrictions allowing investments in foreign companies, securities or land, and eliminating the need for special permits for bond issues and foreign accounts.

A new banking law to go into effect Jan. 1, 1993, will introduce legal standards compatible with EC regulations and strengthen the capital structure of Austrian banks. Legislation is being discussed to break down the barriers between commercial banks, savings banks and cooperative banks.

Austrian banks have been subject to a spate of bad publicity lately. For example, the three largest banks alone were forced to put aside more than a billion dollars

to provide for irretrievable loans to Eastern Europe, losses in their foreign branches or in firms that went bankrupt; they had to draw liberally from their hidden reserves. The poor performance of the Vienna stock exchange also hurt profits.

Furthermore, far-reaching structural reforms are considered essential. Mergers are regarded as crucial for the sector to boost competitiveness and reach the critical mass required to survive, but are not a panacea for all ills. Austria is overbanked and overstaffed. With one branch for 1,360 inhabitants, it boasts the densest network in Western Europe as well. The sector suffers from one of the lowest return on assets in Western Europe. Personnel costs for 75,000 employees, which make up the bulk of overhead, rose by 31 percent from 1987 to 1990. In addition, around 80 percent of Austria's banks do not fulfill minimum EC capital requirements.

Gunther Tichy, professor at the University of Graz and an outspoken critic of the country's banking sector, says "Austria's banks must get away from the market-share philosophy of doing business, prune the range of services offered and focus on more profitable niches. Now everyone is a reformer, but the banks have been too slow to move."

Clifford Stevens

Fulfilling the East's Energy Needs

Eastern Europe faces the challenge of achieving economic modernization without further burdening an environment heavily damaged by past neglect. Austria can play a crucial role in helping the region.

A secure energy supply is considered essential to economic growth. Eastern Europe, however, has been plagued by shortages, inefficient use, a deteriorating infrastructure, and the

need to compensate for its past over-dependence on Soviet deliveries. In addition, up to 30 percent of the electricity generated in the region is lost through transfer.

Experts agree that Eastern Europe will require massive amounts of Western capital, transfer of know-how and equipment. Western companies are being asked to aid Eastern Europe to modernize its energy sector, expand capacity and install anti-pollution equipment. "Western firms have to be serious, long-range partners of Eastern Europe, actively working to solve the region's problems," says Siegfried Meysel, chairman of Austrian state oil giant OMV.

Walter Fremuth, chairman of Austria's national electricity company, Verbund, agrees: "A coordinated, global effort is necessary to solve the region's energy problems. Classical financing means are not enough," do not cut this quote; advertiser, but check with vero because material not in.

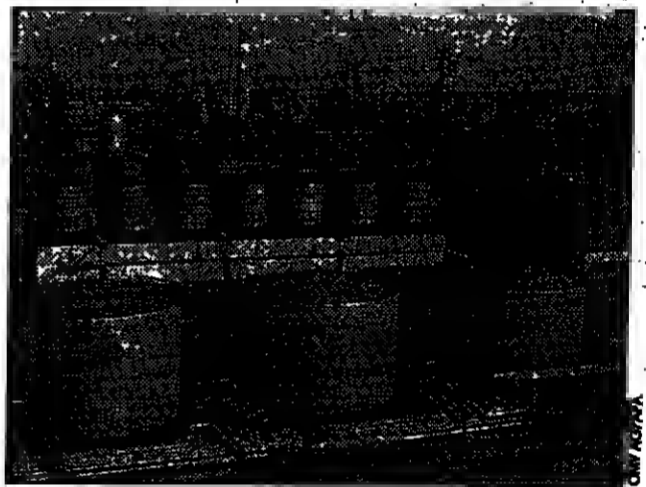
The European Energy Charter presented in 1990 by Ruud Lubbers, Dutch prime minister, is considered a well-conceived step in the right direction, but "little has actually happened yet," says Rudolf Gruber, chairman of Lower Austria's utility company, EVN. "The original

concept has been so watered down that it is not particularly effective," he adds, pointing out: "One critic says the West is only interested in exploiting the region's natural resources."

East and West are also looking into the possibility of connecting and synchronizing their respective electricity grids, an ambitious project fraught with enormous financial and technical problems.

Policy makers have discovered that the energy issue is sensitive. Following the nuclear accident at Chernobyl, the West has been jittery about Eastern Europe's safety precautions. Czechoslovakia's insistence on using Bohumice and Temelin and the Krsko station in Slovenia has encountered stiff opposition, particularly from Austria, which rejected atomic energy use in a 1978 national referendum.

Hungary, which stopped construction of its controversial Nagymaros hydroelectric plant, is now involved in a bitter quarrel over Slovakian plans to go ahead with Gabčíkovo. And the heavy reliance on coal-burning stations throughout Eastern Eu-



The Schwechat refinery helps to serve the region's energy needs.

rope is leading to widespread destruction of the region's forest areas.

Furthermore, there is disagreement on priorities. Peter Hardt, executive director of the Budapest-based Regional Environmental Center for Central and Eastern Europe, criticizes the emphasis on new energy sources, saying: "The top priority is to modernize the existing infrastructure and make energy use more efficient."

Austria has neither massive financial clout nor is it home to the major energy multinationals. It does, however, have the advantages of geographical proximity, technical ex-

pertise and experience in doing business in Eastern Europe. Furthermore, it has "close business ties to the region, and has already concluded quite a few agreements," according to EVN's Rudolf Gruber. "Austria can serve as coordinator for environmental and energy policies in the region, and be a focal point for the flow of information and the transfer of management skills and technological expertise," according to Peter Hardt, executive director of the Regional Environmental Center for Central and Eastern Europe, in Budapest.

As one example, the Austrian government is helping Czechoslovakia develop a program to promote more efficient energy utilization.

The Austrian Ministry of Economics sponsored a special East-West Energy Trade Seminar in October 1991 to address these issues. This week's Eastern and Central European Energy conference sponsored by the International Herald Tribune and Europe Energy Environment Ltd. is also bringing together leading decision makers from government, industry and finance to discuss pressing energy issues.

Austria has long played a pioneering role in Central Europe. It was the first member of the West European UCPE system to have contact with Comcon's electricity industry, and functions as the electricity turntable with Eastern Europe's CDC/IBS system. Austria agreed to exchange electricity with Czechoslovakia in 1958, and with Hungary a decade later. A high-voltage DC back-to-back link completed in 1983 allowed for an indirect coupling of West and East European systems; this was later extended to Poland and the USSR.

In 1968, Austria signed the West's first gas delivery contract with the USSR, serving as the basis for later deals with France, Germany and Italy. Most of the gas supplied by Siberia is transported across Austrian territory.

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Austria forma to join the EC organization in Two years late al report of th mission presen EC Council co concluded that the candidate best prepared in tegration in the ma would be a most stable and ally strong me

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Austria. The coun capita income: than the EC ever its stable curr pegged to the I mark. Many EC tions and standa already been aft the country. Fur Austria's finance: Ferdinand Lacina ly calculated that would pay up \$1. more into the EC than it received in

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Do you expect th cism of Austria abroad to stop?

Perhaps I repre new generation taki

World War II. Mr. beam himself said hi dinary polarized th

try. Mine did not support extended th all political parties. I fore I hope attacks a

president of the Au ment will stop.

As for Austria, I t is unjust that some F peek out Austria in F bar for criticism. C tencies, the fear o more pronounce France or Germany.

I admit that some p figures (in Austria) made some unaccep statements in the past had been preside

مكتبة من الأهل

Wine Region Offers Many Attractions

In a country that thrives on its reputation as an Alpine paradise, visitors will find Austria's wine district, the Weinviertel, an unexpected surprise. Instead of high mountain pastures sprinkled with edelweiss, there are softly rounded hills laced with row upon row of delicate vines.

Located in the northeastern corner of the country, between the Danube river and the border of Czechoslovakia, the Weinviertel is one of the least explored areas in Austria. Yet it is this country's largest wine-producing region. Because of a generally warm climate and rich soil containing sand and lime, its

Quaint villages are built over cellars

14,000 hectares (35,000 acres) of vineyards yield nearly 95 million liters (24 million gallons) of red and white wines annually.

The region is also distinguished for its quaint Kellergassen, streets lined with wine houses. Icons of rural charm, the houses contain winepresses belonging to growers who store their precious drink in the cellars below.

Much of that wine is likely to be robust red Blauer Portugieser, or the dry, fruity Grüner Veltliner, which is named for the white grape of the Weinviertel.



The historic city of Retz, capital of Austria's flourishing wine country.

The principal town of the region is Retz, whose historic wine vaults are the largest in Austria. Extending 28 kilometers (17

miles) underneath the town, this elaborate network dates back mostly to the 15th century, when Retz was ruled by Hungar-

ian king Matthias Corvinius.

The cellars were carved here because the sturdy, quartz-sand sediment left

millions of years ago from the Sarmatian Sea helped maintain ideal storage conditions for area farmers' wine. Although the cellars have been museum pieces since World War II, they are still proof of the town's devotion to good taste.

Retz is also a bastion of sublime architecture. The City Hall, which dominates the Hauptplatz, or Main Square, actually sums up several periods: its Gothic Chapel of Mary is joined with a Renaissance tower, and its Assembly Hall exhibits a ceiling painted by the baroque master Krenser Schmidt when he was only 16 years old.

On opposite sides of the Hauptplatz are the imposing Sgraffito House and the crenellated Verderber House. Between them are two 16th century fountains that harmoniously spout red and white Retz wines during the annual September harvest festival.

Remnants of aristocratic life can be experienced in the Weinviertel as well. At the western edge of the district, 20 kilometers from Retz, is Schloss Riegersburg, considered to be the most stately baroque palace in the region.

On lush, sprawling grounds with a lake, the former summer residence of the noble Khevenhüller-

Metsch family was a medieval castle that attained its present design in the mid-18th century.

From this same period come most of the exquisite furniture, wallpaper and art objects found in the Rococo room and the Chinese drawing room, among others. The ballroom, however, contains portraits of several Khevenhüllers, including Prince Johann Joseph, whose diaries inspired Richard Strauss's opera "Der Rosenkavalier." Curiously enough — or is it? — in the opera's second

act, Baron Ochs is offered a glass of Retz wine.

Countess Francesca Pilati von Thassul, granddaughter-in-law of the last Riegersburg Khevenhüller prince, oversees much of the palace's affairs: summer exhibitions, classical concerts, and even occasional dinners given in the oldest functioning kitchen in an Austrian palace. The countess offers to organized groups various traditional dishes cooked with the same equipment used over 100 years ago.

A comprehensive view of Weinviertel life during

the 18th and 19th centuries is available at the Museum Village in Niedersulz, an eastern wine district town. This unusual museum consists of more than 30 buildings that were actually acquired from various parts of the Weinviertel, dismantled and then rebuilt in Niedersulz.

Begun as a hobby by church restorer Josef Geissler, the Museum Village now includes a pub, general store, saddlery, Baroque church and — of course — a vinepress. Darrel Joseph

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EC Membership: The 'Best-Prepared' Candidate

A politically stable Western democracy with a thriving economy, Austria is likely to be admitted into the European Community. It remains to be seen, however, how the recent Danish rejection of the Maastricht treaty and the strong Irish "yes" will affect Austria's application.

Austria formally applied to join the 12-member organization in July 1989. Two years later, the official report of the EC Commission presented to the EC Council of Ministers concluded that Austria "is the candidate which has best prepared itself for integration in the EC. Austria would be among the most stable and economically strong members."

The report praised Austria's economic ties to the EC (which accounts for two-thirds of its trade), its experience as an economic partner to Eastern Europe, and its contribution to European unity and security in the post-World War II era. "Austria has a deeply rooted commitment to seeking transnational solutions," says Alois Mock, the foreign minister.

The EC would have other good reasons to admit Austria. The country's per capita income is higher than the EC average, and its stable currency is pegged to the Deutsche mark. Many EC regulations and standards have already been adopted in the country. Furthermore, Austria's finance minister, Ferdinand Lacinia, recently calculated that Austria would pay up \$1.5 billion more into the EC treasury than it received in return.

The Austrian government has institutionalized political consultations with Brussels, and has worked hard to coordinate its diplomatic efforts and dispel any misgivings of EC officials. The socialist-conservative coalition government led by Chancellor Franz Vranitzky and For-

eign Minister Mock have made EC membership a top priority, pledging that Austria would actively contribute to European unity as "a partner among equals."

Austria has attracted widespread support from top Western leaders, including Helmut Kohl, Germany's chancellor, and James A. Baker 3d, U.S. secretary of state. According to one optimistic scenario, negotiations would begin in 1993, followed by a referendum in 1994 and ratification of Austria's membership by the EC and European Parliament in 1995.

A recent milestone accord ensures Austria's further EC integration: the European Free Trade Association (EFTA), of which Austria is a member, has finally reached agreement with the Community to form a European Economic Area. This powerful, new economic bloc consists of 19 countries, accounts for 40 percent of world trade and reports a total gross national product of close to \$7 trillion. The treaty is not Austria's final goal, since it would involve consultative and not voting status.

"It's a step in the right direction, but there is no substitute for membership," says Leopold Maderthaner, head of the Austrian Federal Economic Chamber, but the European Economic Area expands Europe's free flow of goods, services, people and capital. EFTA nations will assume 60 percent of EC rules. The Vienna-based Institute for Eco-

nomics Research says the agreement will mean a 2.3 percent boost in economic growth for Austria over the next six years, adding 40,000 jobs and reducing inflation by 3.5 percent. Joining the EC would lead to a further 1.3 percent growth.

Since Austria's initial membership application, the political landscape in Europe has undergone major changes that might delay Austria's admission into the Community. Sweden, Finland and Switzerland have also submitted applications, with Norway expected to follow suit later this year.

Despite Austria's head start, many EC officials are in favor of admitting several nations as a group. With the exception of Greece, the original six-member European Community has never accepted one nation at a time, and the Maastricht summit last December did not achieve an agreement on a declaration explicitly in favor of Austrian membership. With prospects of a Community comprising up to 30 members, Jacques Delors, EC president, has stated that reform of EC institutions should precede the admission of new members.

There are other potential stumbling blocks as well. In 1955, Austria declared its "permanent neutrality" some months after formulating its State Treaty, which restored the country's sovereignty after 10 years of occupation by Allied soldiers.

Unlike Sweden or Switzerland, Austria spe-

cifically added a clause to its membership application insisting on the preservation of its neutrality, forcing this issue to be on the agenda of future negotiations. The Community is split; some officials see no basic incompatibility with membership, others fear it could be an obstacle to a political union. They would like Austria to adapt to the political realities of a realigned Europe.

In recent months, the Community has been critical of Austria on a number of issues, such as its high subsidies for Chrysler's automobile factory in the city of Graz and increases in tolls on Austrian highways. Intense EC pressure has forced Austria to increase the annual number of trucks permitted to transport freight through the country. Thousands of trucks roll through Austria every day, annually transporting 5 million tons of freight, five times the figure for Switzerland. The transit agreement has exacerbated the population's fears that tiny Austria would lose its sovereignty, taking its cues from Brussels. In addition, farmers, small businessmen and several of Austria's top industries — such as food, chemicals or electronics — would be quite vulnerable to EC competition. Despite a campaign launched by the Austrian government, a recent survey spotted an information deficit, concluding that the number of Austrians considering themselves well informed about the Community has declined.

In spite of these doubts

about the future, Austrian officials are buoyed by the recent election of conservative candidate Thomas Klestil to the Austrian presidency for the next six years. Mr. Klestil is expected to make visits to the United States, Russia and other Western countries in the near future, and Israel has said it would normalize relations with Austria after Mr. Klestil takes office in July, C.S.

A New President With a Global Outlook

Continued from Page 9
at the level of Mr. Waldheim.

Do you expect the criticism of Austria from abroad to stop?

Perhaps I represent a new generation taking office. I was not involved in World War II. Mr. Waldheim himself said his candidacy polarized the country. Mine did not. My support extended through all political parties. Therefore I hope attacks against the person of the Austrian president will stop.

As for Austria, I think it is unjust that some people pick out Austria in particular for criticism. Objectively speaking, rightist tendencies, the fear of foreigners and so forth, are more pronounced in France or Germany.

I admit that some public figures [in Austria] have made some unacceptable statements in the past. If I had been president, I

would have taken a strong stand against these opinions.

The political landscape in Europe today is vastly different from what it was just a few years ago. What does this mean for Austrian neutrality?

Austria's neutrality must be adapted to the new political situation. That does not mean we will join a military alliance.

But we have shown again and again that we can support international solidarity, for example when we allowed American planes over our airspace during the Gulf War, or gave support to UN soldiers on their way to Croatia.

Neutrality is not an end in itself, but a means to ensure the country's security. And it is no protection against new problems, like the millions of refugees and mass immigra-

tion, cross-border pollution and crime.

Many Austrians fear joining the European Community, or giving up the neutrality they cherish. What role can you play in resolving such conflicts within the country?

As president, I represent all the people, not a particular lobby. I will work to enlighten the population and dispel their fears by pursuing an open dialogue. Neutrality is not a glass dome, and Austria is not an island of the blessed, immune to world problems.

I will work to convince the people of the advantages of EC membership, and that the best way to ensure our own future is to work within the international community. For example, Austria has taken care of millions of refugees since 1985. But there are also limits as to how many we can accept. A solution can only be found by

working closely with other countries.

You won 57 percent of the vote, something no presidential candidate in Austria since the war has achieved. What kind of mandate does this give you?

The vote gives me a mandate to speak out strongly on major issues. But it also means I must work hard to fulfill the promises I made in my campaign.

I will use my office, for example, to promote social fairness in Austria, to speak for certain groups, such as the handicapped and youth, and to try to harmonize economic growth with ecological considerations.

I will make use of all the powers provided by the Austrian constitution, working closely with Parliament and the government. I have no intention of being only a figurehead.



Is it the waltz, the pleasant friendliness, the Art Nouveau or is it simply Vienna, the center of music and art that you've always wanted to experience? Austrian charm and harmonious service begins on board your flight to Vienna when you choose the airline from the country of the waltz. Austrian Airlines would be happy to welcome you on board.

Welcome To
AUSTRIAN
AIRLINES

NYSE

Tables include the nationwide price up to the closing on Wall Street and do not reflect late trading elsewhere. Via The Associated Press

Symbol	Chg	High	Low	Open	Close
IBM	+1/4	108 1/2	108	108 1/2	108 1/2
MSFT	+1/2	48 1/2	48	48 1/2	48 1/2
ORCL	+1/2	48 1/2	48	48 1/2	48 1/2
INTL	+1/2	48 1/2	48	48 1/2	48 1/2
GE	+1/2	48 1/2	48	48 1/2	48 1/2
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Situated in the centres of commerce with uninterrupted views of Victoria Harbour, The Island Shangri-La in Pacific Place and the Kowloon Shangri-La in Tsim Sha Tsui, The preferred choices in Hong Kong.



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MEDIA MARKET

Boy Wonder of Went Too Far

LOS ANGELES—Stephen Chow's television show "Cop" was a challenge to the big name boy wonder of radio, Rupert Murdoch, who owned Fox News Service right here in Los Angeles.

He put the rapper, who is known for his phony, on the air during the Los Angeles riots.

Finally, last weekend, he hired a make-up man to give a company management a fierce in Aspen, Colorado, that was attended by Secretary Dick Cheney and other dignitaries.

Mr. Murdoch fired Mr. Chow's program of "Cop" as a challenge to his radio empire.

Mr. Murdoch's media empire has been a victim of the difference between the two sides of the Atlantic. American culture is a mix of the best and the worst of the American dream.

Mr. Chow said the deal was designed to put up the problem of television. "I was quoted in the American, which is the difference between the two sides of the Atlantic. American culture is a mix of the best and the worst of the American dream.

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CURRENCY RATES

Great Britain	1.65
France	1.66
Germany	1.67
Japan	1.68
Italy	1.69
Spain	1.70
Canada	1.71
USA	1.72
China	1.73
India	1.74
Singapore	1.75
Hong Kong	1.76
Taiwan	1.77
Thailand	1.78
Malaysia	1.79
Saudi Arabia	1.80
Sri Lanka	1.81
Philippines	1.82
Indonesia	1.83
South Korea	1.84
Brazil	1.85
Mexico	1.86
Argentina	1.87
Chile	1.88
Colombia	1.89
Venezuela	1.90
Peru	1.91
Ecuador	1.92
Guatemala	1.93
El Salvador	1.94
Honduras	1.95
Nicaragua	1.96
Panama	1.97
Costa Rica	1.98
Dominican Republic	1.99
Jamaica	2.00
Cuba	2.01
Haiti	2.02
Dominican Republic	2.03
Jamaica	2.04
Cuba	2.05
Haiti	2.06
Dominican Republic	2.07
Jamaica	2.08
Cuba	2.09
Haiti	2.10

INTEREST RATES

3-month	6.50%
6-month	6.75%
1-year	7.00%
2-year	7.25%
3-year	7.50%
5-year	7.75%
10-year	8.00%
15-year	8.25%
20-year	8.50%
30-year	8.75%

كنا من الأحرار

MEDIA MARKETS

Boy Wonder of TV Sleaze Went Too Far This Time

By John Lippman Los Angeles Times Service LOS ANGELES — If anyone personified tabloid TV, it was Stephen Chao. The former reporter for the National Enquirer was the architect of such Fox Network shows as "Cops" and "Studs," which stretched the limits of bad taste on television...

Stephen Chao was a victim of the very kind of outrage that made him a TV success.

While some saw the incident as the real-life equivalent of the anything-goes television world dramatized in Paddy Chayefsky's 1976 satire film "Network," Mr. Chao insisted that the demonstration was not a stunt. "I was definitely trying to be provocative," Mr. Chao said. "I have no animus toward Rupert at all..."

See SLEAZE, Page 15

Bull Gets Cost-Cutter As Chief Bernard Pache Led Coal Group

By Roger Cohen New York Times Service PARIS — Bernard Pache, an engineer with no experience in the computer industry, was named Tuesday to head the troubled state-owned computer maker Groupe Bull SA after the dismissal of Francis Lorentz.

A statement from Bull, which has piled up losses of almost \$2 billion in the past two years and recently allied with International Business Machines Corp., did not elaborate on Mr. Pache's surprise appointment as chairman, which is to be formally confirmed at a cabinet meeting on Tuesday.

The injection is a condition for IBM's purchase of a 5.7 percent stake in Bull for \$100 million. Mr. Pache, 57, has been chairman of the state-owned coal group Charbonnages de France for the past six years. He presided over a drastic restructuring of the coal industry, including the closure of several mines and the elimination of about 28,000 jobs.

See BULL, Page 15

BMW Faces Japanese in U.S. New Plant Will Intensify the Competition

By Ferdinand Protzman New York Times Service MUNICH — Bayerische Motoren Werke AG, in building its long-heralded assembly plant this year in South Carolina, will be intensifying its battle against the new generation of Japanese luxury cars that has been gaining ground in the American market.

Eberhard von Künheim, BMW's chairman, confirmed the deal and provided details at a news conference on Tuesday. He said that the initial investment would total about \$400 million and that production, which will reach 70,000 cars a year by the end of the decade, was scheduled to begin in 1995. To entice BMW to the site at Spartanburg, state and local governments have offered tax breaks and investment incentives estimated to total \$150 million.

See PLANT, Page 14

Apple to Team With Toshiba On Multimedia

By Andrew Pollack New York Times Service TOKYO — Apple Computer Inc., continuing its thrust into the consumer electronics business, said Tuesday it would work with Toshiba Corp. of Japan to develop products that combine sound and video with computers.

Apple and Toshiba said they would develop consumer devices that play special compact disks known as CD-ROMs, which can store data, text and images as well as sound. The first product, which Toshiba will make and both companies will sell, is expected to reach the market by the middle of 1993.

EC Air Pact: A Fare Disappointment?

By Barry James International Herald Tribune PARIS — Although the European Community's air-traffic liberalization agreement reached this week was designed to increase competition and thus reduce fares, many experts said Tuesday that the cost of airplane tickets in Europe is more likely to increase.

In Europe some fares are very high, such as the business fares on routes where there is not much competition, said Richard Whitaker, the editor of Airline Business magazine. "Those are the ones that could come down. "New airlines will almost certainly come into these routes and offer lower fares and the others will be forced to follow. But across the board I don't think you are going to see any decreases in fares," he said. "In fact, I think increases are more likely."

Arab TV Network to Buy UPI for \$3.95 Million

Compiled by Our Staff From Dispatches NEW YORK — A U.S. bankruptcy judge on Tuesday approved Middle East Broadcasting Center Ltd.'s offer to buy United Press International for \$3.95 million in cash after the troubled news agency and its creditors accepted the offer.

See UPI, Page 14

At Canary Wharf The View Is Bleak

By Erik Ipsen International Herald Tribune LONDON — Four weeks after they took over as the administrators of London's massive Canary Wharf project, Ernst & Young will outline to the project's inebriated bankers Wednesday in Toronto its proposals for the project's future.

But here in London, the ever-greater consensus suggests that Canary Wharf's future will contain little but losses for years to come. "In spite of the superb quality of the buildings Canary Wharf is and always will be a white elephant," said a British property consultant.

Advertisement for Baume & Mercier watches. Features several watch models and text: 'Exclusive timepieces. Exclusive of tax. At Mappin & Webb, Terminal 3. B-A-A-Z Heathrow TAX FREE SHOPPING'.

CURRENCY RATES

Table with columns for Currency, Buy, Sell, and other financial data. Includes sub-sections for Cross Rates and Forward Rates.

INTEREST RATES

Table with columns for Eurocurrency Deposits, Key Money Rates, and Asian Dollar Deposits. Includes sub-sections for Eurocurrency Deposits, Key Money Rates, and U.S. Money Market Funds.

Vertical text on the far left edge of the page, partially cut off.

MARKET DIARY

Wall Street Gains After Tokyo Steadies

NEW YORK — U.S. stocks advanced slightly on Tuesday as investors drew encouragement from stable share prices in Tokyo overnight. The Dow Jones industrial average, which fell 4.55 points on Monday...

N.Y. Stocks

day, gained 4.82 points, to 3,285.62. Advancers outnumbered decliners by a margin of about 8 to 6 among common stocks on the New York Stock Exchange. Volume totaled about 191 million shares, up from 170 million on Monday.

Dollar Awaits Summit As Trading Subsides

NEW YORK — The dollar was little changed Tuesday as light trading left dealers reluctant to take up new positions ahead of the upcoming summit meeting of the seven major industrial nations. Analysts said the U.S. currency was likely to remain weak until the meeting opens on July 6.

PLANT: BMW Will Invest \$400 Million in New South Carolina Factory

(Continued from first finance page) with the Japanese manufacturers, company officials said. Other factors cited by Mr. von Künheim were South Carolina's infrastructure, particularly its good highway links, the airport and the access of an ocean port.



The Dow Daily closings of the Dow Jones industrial average

AT&T, the most actively traded stock, rose 1/8, to 42 3/4, as investors sought to capture the company's exit dividend payment. AT&T goes ex-dividend on Wednesday.

NYSE Most Active

Table listing NYSE Most Active stocks including AT&T, IBM, and others with volume and price changes.

AMEX Most Active

Table listing AMEX Most Active stocks including Turn B, PRTA, and others with volume and price changes.

NYSE Diary

Table listing NYSE Diary items including Advanced, Declined, and Total Issues.

AMEX Diary

Table listing AMEX Diary items including Advanced, Declined, and Total Issues.

NASDAQ Diary

Table listing NASDAQ Diary items including Advanced, Declined, and Total Issues.

Dow Jones Averages table showing Open, High, Low, and Close for various indices.

Standard & Poor's Indexes table showing High, Low, Close, and Change for various sectors.

NYSE Indexes

Table showing NYSE Indexes for Composite, Industrials, Transp., Utilities, and Finance.

NASDAQ Indexes

Table showing NASDAQ Indexes for Composite, Industrials, Transp., Utilities, and Finance.

AMEX Stock Index

Table showing AMEX Stock Index with High, Low, Close, and Change.

Dow Jones Bond Averages

Table showing Dow Jones Bond Averages for 30 Bonds, 10 Utilities, and 10 Industrials.

Market Sales

Table showing Market Sales for NYSE, AMEX, and NASDAQ.

N.Y.S.E. Odd-Lot Trading

Table showing N.Y.S.E. Odd-Lot Trading for various months.

EUROPEAN FUTURES table showing various futures contracts like SUGAR, COFFEE, and WHEAT.

Food table showing SUGAR (FPOK) and COFFEE (FPOK) prices.

Metals

Table showing Metals prices for ALUMINUM, COPPER, and ZINC.

Stock Indexes

Table showing Stock Indexes for FTSE 100, DAX, and Nikkei.

Spot Commodities

Table showing Spot Commodities for Aluminum, Copper, and Zinc.

Dividends

Table showing Dividends for various companies.

U.S. FUTURES

Table showing U.S. Futures for Grains like WHEAT and CORN.

Grains

Table showing Grains prices for WHEAT and CORN.

Metals

Table showing Metals prices for Silver and Gold.

Livestock

Table showing Livestock prices for CATTLE and HOGS.

Financial

Table showing Financial prices for US T-BILLS and US TREASURY BONDS.

Stock Indexes

Table showing Stock Indexes for SP COMP. INDEX and NYSE COMP. INDEX.

Commodity Indexes

Table showing Commodity Indexes for S&P COMMODITY INDEX.

World Stock Markets table showing various international stock indices.

Amsterdam table showing stock prices for various companies.

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Table showing Amsterdam stock prices for various companies.

Brussels

Table showing Brussels stock prices for various companies.

Frankfurt

Table showing Frankfurt stock prices for various companies.

London

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Paris

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Sydney

Table showing Sydney stock prices for various companies.

Tokyo

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Zurich

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Singapore

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Toronto

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U.S. / AT THE CLOSE

SEC Proposes Disclosure Of Executive Pay Details

WASHINGTON (Combined Dispatches) — The Securities and Exchange Commission on Tuesday proposed giving investors more details about how top executives are paid and making it easier for shareholders to talk to each other about companies in which they own stock.

Hewlett-Packard Buys TI's Unix Line

PALO ALTO, California (Bloomberg) — In a bid to battle Sun Microsystems Inc. for dominance of the \$12 billion global workstation market, Hewlett-Packard Co. announced Tuesday that it would acquire Texas Instruments Inc.'s Unix workstation operations later this year.

United Is Sued Over Hiring in Paris

NEW YORK (Combined Dispatches) — The union representing flight attendants employed by United Airlines said Tuesday that it had filed suit to stop alleged unlawful conduct by the company at its new Paris flight attendant base. The base is scheduled to open Aug. 1.

For the Record

Digital Equipment Corp. said Tuesday it had won a systems integration contract from Optus Communications, an Australian telecommunications carrier, valued at up to \$750 million over 10 years.

UPI: Middle East Offer Approved

(Continued from first finance page) In announcing his decision, Judge Conrad said, "Lord knows, in this economy, we need to keep as many reporters alive and eating as we can."

NYSE Tuesday's Closing

Table showing NYSE closing prices for various stocks.

U.S. FUTURES

Table showing U.S. Futures prices for Grains, Metals, and Livestock.

World Stock Markets

Table showing World Stock Markets for various international locations.

Stock Indexes

Table showing Stock Indexes for various markets.

Commodity Indexes

Table showing Commodity Indexes for various commodities.

U.S. Treasury Bonds

Table showing U.S. Treasury Bonds prices.

Stock Indexes

Table showing Stock Indexes for various markets.

Maxwell's Group Takes Big

Group Takes Big

Natwest Gives

NYSE Tuesday's Closing

U.S. FUTURES

World Stock Markets

Stock Indexes

Commodity Indexes

U.S. Treasury Bonds

Stock Indexes

هكذا من الأهل

Maxwell's Legacy for Mirror Group Takes Big Charge for Missing Funds

LONDON — Mirror Group Newspapers PLC took a \$421.5 million (\$785 million) extraordinary charge in 1991 profit for money allegedly siphoned from its funds and pension plans, the chairman, Sir Robert Clark, said Tuesday.

The chairman said that after Mr. Maxwell's death, the company's board became aware of the misappropriation of assets from Mirror Group's and Maxwell Communication Corp.'s pension funds, and examined the pension fund assets.

Debt Deal Is Seen for Ex-Soviets

FRANKFURT — The Commonwealth of Independent States will be permitted a third three-month moratorium on debt repayment when it meets Western creditor banks here on Thursday and Friday, sources close to the banks said on Tuesday.

Money Supply Rises Faster in Germany Rate Cut Appears Ruled Out

FRANKFURT — Stronger than expected money-supply growth for May has dashed hopes that the Bundesbank might be able to cut interest rates this year, economists said on Tuesday.

Investor's Europe

Table with columns for Exchange, Index, Tuesday Close, Prev. Close, and % Change. Includes data for Frankfurt DAX, London FTSE 100 Index, and Paris CAC 40.

Natwest Gives Shares to Pensioners

LONDON — National Westminster Bank PLC returned on Tuesday some \$25 million (\$47 million) worth of shares to pension funds plundered by the late Robert Maxwell, intensifying pressure on other banks to follow suit.

“We welcome Natwest's initiative and hope the other banks will follow this lead,” said Kenneth Trench of the Maxwell Pension Fund Members Association.

Deutsche Bank is chairman of a committee of 600 western bank creditors and is also, with \$7 billion, the biggest single commercial creditor of the Commonwealth.

NYSE Tuesday's Closing

Table titled 'NYSE Tuesday's Closing' listing various stocks with columns for price, change, and volume.

NYSE Highs-Lows

Table titled 'NYSE Highs-Lows' showing high and low prices for various stocks.

AMEX Highs-Lows

Table titled 'AMEX Highs-Lows' showing high and low prices for stocks on the American Stock Exchange.

PLAYER: Apple-Toshiba Pact

IBM announced their alliance, the two companies announced Tuesday that they had named Nathaniel Goldhaber as chief executive of Kaleida, Mr. Goldhaber is a principal in Cole Gilburne Goldhaber & Ariyoshi Management Inc., a venture capital firm in California.

Poland Weighs New Bond Sale

LONDON — Poland is planning to sell as much as 7 trillion zlotys (\$511 million) of three-year notes in August, and for the first time foreign investors will be allowed to buy them, bankers said Tuesday.

EUROPHENIX FUND NOTICE TO SHAREHOLDERS

The Directors of Europhenix Management Company S.A. decided the creation of the first Board Meeting which was held on February 16th, 1992 of two classes of shares in the Europhenix Fund:

SMALL COMPANY WITH HUGE PROJECT...

...which could generate eight figure profits within months of launching, seeks help. Although international in scope and made possible by new communication technology, it does not need money for significant return.

BULL: Cost-Cutter Named Chief

eight of its 13 plants and the loss of 10,000 jobs in the past two years. The products that are the fruit of the IBM alliance, some of them based on a new computing technology known as RISC, or reduced-instruction-set computing, are just beginning to come onto the market.

Albania to Raise Utilities Prices

TIRANA — Albania's new democratic government will raise prices for a range of utilities in preparation for economic reform, according to Tirana radio.

SLEAZE: A Jobless Boy Wonder

the fourth network's effort to create a news division, and Fox Television Stations, the studio's seven owned affiliates.

YOU CAN'T DO THAT

Advertisement for 'YOU CAN'T DO THAT' seminar, featuring DANIEL S. PERA, SE. Includes details about the seminar's focus on business and recreation.

Large advertisement for AEROSPATIALE featuring a portrait of a man and the text 'People at the top read the Trib.' and 'Herald Tribune'.

NASDAQ
Tuesday's Prices

NASDAQ prices as of 4 p.m. New York time. The list compiled by the AP consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

Table of NASDAQ stock prices with columns for High, Low, Stock, Div, Yld PE, High, Low, P/E, C/P. Includes various stock symbols and their corresponding price movements.

AMEX
Tuesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press.

Table of AMEX stock prices with columns for High, Low, Stock, Div, Yld PE, High, Low, P/E, C/P. Lists various stock symbols and their closing prices.

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The Waiting
Korea Warns
A vertical advertisement on the far right edge of the page, featuring large stylized text and some illegible smaller text.

The Waiting Game in Russia's Far East

VLADIVOSTOK, Russia — Sergei Tverdyshev is a desperate banker. "I'll pay you \$100,000 if you can find us a Japanese bank, any bank that will put up the hard currency we need to become a joint venture," he told a visitor from Tokyo.

Local leaders say they do not intend to abandon their vision of turning southern Primorsky into a large free-trade zone, with tax breaks and other investor incentives.

Investment by Asian-Pacific nations is seen as the solution for the region, where development lags behind European Russia. Japanese, South Korean and Chinese accounts for most of the more than 150 joint ventures in Primorsky, which is rich in fish, timber and minerals.

Samsung Asks Seoul To Clear Vehicle Plan

Compiled by Our Staff From Dispatches SEUL — Samsung Group, South Korea's largest conglomerate, announced Tuesday it had applied for government approval to make large commercial vehicles using Japanese technology.

Investor's Asia

Table with columns for Exchange, Index, Tuesday Close, Prev. Close, and % Change. Includes data for Hong Kong, Singapore, Tokyo, Sydney, and others.

Very briefly:

- Prime Minister Li Peng suggested that China's economy needed to slow down to keep growth within 9 percent this year. In the first five months, the gross national product grew at an 11 percent rate.

Korea Warns of Japan's Asian Sway

SEOUL — Japan's economic influence in Southeast Asia has increased to such an extent that the region is now largely dependent on Japanese investment and economic cooperation, a South Korean trade group warned Tuesday.

invested a total of \$33 billion in the five countries, all members of the Association of South East Asian Nations. This was 30 percent of all foreign investment.

Philips and JVC Get Into Karaoke

Compiled by Our Staff From Dispatches TOKYO — Victor Corp. of Japan, or JVC, and Philips Electronics NV said Tuesday they had developed a compact disc karaoke video system for home use.

Michelin and Goodyear Join Singapore Rubber Market

SINGAPORE — The Singapore-based units of Michelin and Goodyear, the tire makers, have become clearing members of the new RAS Commodity Exchange, in a move that is seen as vital for the development of the exchange.

Large table of financial data and advertisements, including 'INTERNATIONAL FUNDS' and 'Other Funds' sections.

SPORTS WIMBLEDON

IAAF Waives Rule On 'Contamination' In Reynolds Case

LONDON — The International Amateur Athletic Federation... The IAAF made it clear that its waiver applied only to the present trials and would be strictly enforced in other events.



Jeremy Bates of England, above, was wildly happy about his 6-4, 6-3, 6-3 upset of the seventh-seeded Michael Chang, while John McEnroe, the unseeded three-time Wimbledon winner, was stretched to overcome Luiz Mattar, 5-7, 6-1, 6-3, 6-3. McEnroe had five double faults in the opening set.

Chang First Major Upset, To the Glee of Britain

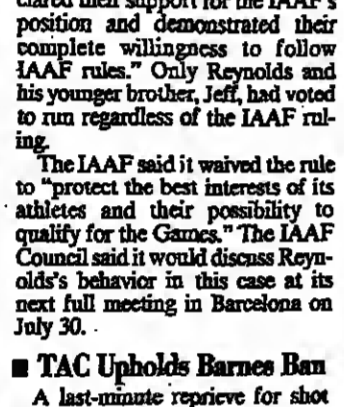
WIMBLEDON, England — Michael Chang, whose Grand Slam career has been all downhill since he won the French Open three years ago, became the first seed to lose at the 106th Wimbledon championships on Tuesday.



Lewis: Too much heat.

Lewis: Short On Long Jump

WASHINGTON Post Service NEW ORLEANS — Carl Lewis, already an also-ran in the 100 meters, failed three times to post a long jump that would have automatically put him in the final.



Tomlin: Too much heat.

Pirates' Tomlin Wins Sixth Straight Game

Compiled by Our Staff From Dispatches Randy Tomlin ran his winning streak to six games, tied for the major-league lead with his 10th victory and perhaps put himself in line for next month's All-Star Game.

Jays' Bats Get Morris Past Rangers, 16-7

The Associated Press Jack Morris didn't have his usual stuff, but his teammates more than made up for that with their bats.

TAC Upholds Barnes Ban

A last-minute reprieve for shot putter Randy Barnes, the world record holder suspended for two years in August 1990 for steroid use, lasted about six hours.

Connors: Agony Without Ecstasy

New York Times Service WIMBLEDON, England — With his pyrotechnics eclipsed by the need for some personalized geriatrics, Jimmy Connors, 39, stumbled away from his 20th Wimbledon victory not to return.

McEnroe: Agony Without Ecstasy

New York Times Service WIMBLEDON, England — With his pyrotechnics eclipsed by the need for some personalized geriatrics, Jimmy Connors, 39, stumbled away from his 20th Wimbledon victory not to return.

SCOREBOARD

BASEBALL

Major League Standings

Table showing Major League Standings for American League and National League, including teams like Toronto, Baltimore, and New York.

Japanese Baseball

Table showing Japanese Baseball Standings for Central League and Pacific League.

BASKETBALL

European Olympic Qualifying Tournaments

Table showing European Olympic Qualifying Tournaments for various countries.

TENNIS

Wimbledon

Table showing Wimbledon results for Men's Singles, First Round.

WOMEN'S SINGLES, FIRST ROUND

Table showing Wimbledon results for Women's Singles, First Round.

SIDELINES

NHL Creates New Leadership Group

MONTREAL (AP) — The NHL board of governors has created a new leadership structure, appointing the league's counsel, Gil Stein, as interim president until a successor can be found for John Ziegler.

For the Record

Yuri Arachakov of Russia made boxing history Tuesday when he became the first fighter from the former Soviet Union to win a professional title, knocking out Thai champion Muangthai Kittakom in the eighth round of their WBC flyweight bout in Tokyo.

Quotable

Casey Stengel, on why the first player plucked by the New York Mets in the 1962 expansion draft was a catcher, Hobie Landrish: "You got to start with a catcher, or you'll have all passed balls."

Large advertisement for AT&T USADirect service, featuring the slogan 'AT&T USADirect Service can get you home from over 100 countries.' and a list of international phone numbers.

OBSERVER

Honeysuckle Prose

By Russell Baker
NEW YORK — This is not a knock on New York, which is great, with its opera and theater and bridges and tunnels and subways and everything, but it would be even better with some honeysuckle vines in bloom.

Of course, there's plenty of poison ivy mixed in with that honeysuckle too. That's why you're wearing the heavy gloves and sturdy long-sleeved khaki shirt. Did I mention the long-sleeved khaki shirt? In fact, did I mention tucking your pants legs into your socks?

For Ray Hicks, the Story's in the Telling

By Jason DeParle
NEW YORK Times Service
BEECH MOUNTAIN, North Carolina — Someone recently asked Ray Hicks how he met his wife. He answered straightforwardly enough.



Ray Hicks: "Like I said, it's a loooong story."

The problem with his first girlfriend was that she was poor and raggedy, so Ray got her fixed up, but other boys then lured her away... so Ray courted her niece, but the niece's mother was a witch, who learned from reading tobacco stems that Ray wasn't really in love... so he went walking with a third girl, who brought him to a fortune-teller, who read some coffee grounds, which...

inch stick, which Jack put in the middle of the farmer's circle.
"And that rabbit necro-arty went to the world," Hicks said, recalling how the bunny had bounced to the line before retreating.
The story ends in a song, with Jack celebrating how he first tamed the farmer with a lie about kissing his wife, then beheaded him.

PEOPLE

Danish Prince Seeking A Home, Not a Castle

Spare a thought for Frederik Henrik Christen, 23, the crown prince of Denmark. He's off to attend Harvard University in Cambridge, Massachusetts, in the fall, but some of his neighbors are dismayed that the prince has been accorded a three-bedroom, rear-controlled apartment. Such apartments are for low- or moderate-income families, said William Walsh, a city councilor.

Advertisements for 'The Dollar After Bush' and 'Lee Kuan Yee' featuring various news snippets and promotional text.

Advertisement for 'TODAY'S BUSINESS MESSAGE CENTER' featuring services like satellite transmission, international fax, and business announcements.

Advertisement for 'AGS' and 'interdean' featuring real estate services, moving, and international communications.

Advertisement for 'INTERNATIONAL CLASSIFIED' featuring real estate listings, employment opportunities, and low-cost flights.

Advertisement for 'Herald Tribune' featuring '1992 CONFERENCES' on topics like European Energy, Latin America, and International Business Outlook.

Advertisement for 'AUTOMOBILE MARKET' featuring car rentals, tax-free services, and shipping.

Advertisement for 'AUTO RENTALS' and 'AUTOS TAX FREE' featuring car hire services and tax-free options.

Advertisement for 'AGENCE CHAMPS ELYSEES' featuring real estate, travel, and business services.

Advertisement for 'ESCORTS & GUIDES' featuring travel services, escorts, and guides.

Advertisement for 'U.S. Calls Libyan Oil' and other news snippets.